OFFICE OF THE
Auditor General
of British Columbia

BACKGROUNDER **OCTOBER 21, 2004**

The Role of Internal Audit

The Institute of Internal Auditors defines internal auditing as "an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes."

Internal auditing reviews the reliability and integrity of information, compliance with policies and regulations, the safeguarding of assets, the economical and efficient use of resources, and the operational goals and objectives of the organization. It covers all aspects of an organization's operations, from finance and systems to service delivery and human resources. It serves not only the board and management, but the whole organization.

Health Authority Financial and Staff Information at March 31, 2004

Health Authority	Assets ($ millions)	Revenues ($ millions)	Expenditures ($ millions)	Number of staff
Provincial Health Services	$620	$1,217	$1,227	10,000
Vancouver Island	728	1,274	1,284	16,400
Vancouver Coastal	951	2,002	2,003	27,000
Northern	374	433	437	6,000
Interior	726	1,139	1,171	17,000
Fraser	740	1,619	1,621	20,000
Total	**$4,139**	**$7,684**	**$7,743**	**96,400**

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Audit Projects Undertaken by Internal Audit Groups

Internal control reviews

- Pharmacy controls
- Residential care service providers
- Support service providers
- Mental health care service providers
- Physician service contracting
- Material management
- Contractual payment data base
- Physician compensation

Financial control reviews

- Financial policies
- Treasury management
- Payroll
- Payables
- Operational planning and budgeting
- Capital equipment cycle
- Contracting process
- Patients' trust funds

Information systems

- Data access and security
- Disaster recovery planning
- Information technology conversion

Other

- Infection control policies
- Governance policies
- Health and welfare benefits administration
- Human resource policies
- Time entry and scheduling
- Organization-wide risk assessment
- Review of signing authority policy matrix
- Analysis of expenditures
- Logistics/supply chain management
- Personnel recruitment
- Accountability
- Outsourcing initiatives

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Internal Audit in Health Authorities: A Status Report

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The Honourable Claude Richmond
Speaker of the Legislative Assembly
Province of British Columbia
Parliament Buildings
Victoria, British Columbia
V8V 1X4

Dear Sir:

I have the honour to transmit herewith to the Legislative Assembly of British Columbia my 2004/2005 Report 4: Internal Audit in Health Authorities: A Status Report.

Wayne Strelioff, FCA
Auditor General

Victoria, British Columbia
October 2004

copy: Mr. E. George MacMinn, Q.C.
Clerk of the Legislative Assembly

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Purpose and scope of the review

The purpose of our review was to evaluate the extent to which health authority boards and management are using internal audit in carrying out their responsibilities.

Specifically the review examined whether:

- boards and management use internal audit effectively;
- internal audit has appropriate capacity to be effective; and
- internal audit is effective in performing its responsibilities.

We examined the internal audit practices of all six health authorities. Our review was carried out between May and July 2004.

We performed the review in accordance with assurance standards recommended by the Canadian Institute of Chartered Accountants, and accordingly included such tests and other procedures as we considered necessary to obtain sufficient evidence to support our conclusions. In gathering our evidence, we interviewed board members, senior management and the heads of the internal audit groups. We also reviewed documents prepared by the health authorities and other organizations.

Overall conclusion

We concluded that all boards and management of the health authorities have recognized the importance of internal audit and have either set up internal audit groups in their authorities or are in the process of doing so. For the health authorities that have working internal audit units, the boards have set up good processes to oversee internal audit's activities.

The units established have been provided with appropriate start-up funding and recruited qualified staff. The boards are committed to reviewing the units' funding and staffing when the overall risks the authorities are facing have been fully identified and plans for addressing them have been developed. We believe this is a reasonable approach at this time.

Since the groups are not yet fully functional, they are not as effective as they can be in performing their responsibilities. However, if they proceed on their current path and become fully functional, they will soon be able to serve the boards and the authorities effectively.

Key findings

All health authority boards either have set up an internal audit unit or are now doing so

All of the authority boards and management went through the process of assessing whether an internal audit function would be of value to them and their organizations, and all of them concluded it would. At the time of our review, four of the six authorities—Interior, Fraser, Vancouver Island, and Provincial Health Services—had working internal audit groups already established. The Northern Health Authority had recently hired a Director to set up a unit and Vancouver Coastal was in the process of recruiting for the position of Audit Director.

The mandates of all internal audit groups are comprehensive and address all significant areas of operations

The established internal audit groups in the four authorities have audit charters that clearly set out each unit's objectives, roles, responsibilities and accountabilities. The Northern Health Authority has also drafted a charter, which will be reviewed by the newly hired Audit Director. All of the charters have been approved by the boards of the respective authorities.

The mandates of the individual internal audit groups cover all significant functions and operations of the authorities except for clinical risks, (those resulting from the professional activities of physicians, nurses and other professionals). Clinical risks have been excluded from the mandates of all but the Vancouver Island Health Authority. At this stage, when the audit groups are not yet fully functional, focusing on the traditional internal audit activities is reasonable. As the groups mature and the extent of their workloads are better known, internal audit's mandate can be expanded.

An important issue that each charter has to address is the audit unit's right to access records, people, property and locations. Without this right, an internal audit unit cannot carry out its responsibilities effectively. All of the charters we examined state clearly that internal audit have appropriate access rights.

Overall, we believe the authorities have done a good job of setting out roles, responsibilities, boundaries and other significant details in their audit charters.

The boards have set up good mechanisms to oversee the activities of internal audit

For any board to gain full benefit from the activities of internal audit, the internal audit group must be independent from management and have direct access to the board. In all of the health authorities where such a unit exists, we found the internal audit group reporting to the Audit and Finance Committee and the Chief Executive Officer. The exception was the Provincial Health Services Authority, where internal audit reports to the Chair of the Board. Administratively, all the units report to a senior executive who is in a position to help internal audit carry out its functions. We believe that these arrangements are in line with best practice and are appropriate.

We also found that internal audit heads have established a close working relationship with the Audit and Finance Committee. They provide ongoing written updates on their activities, as well as copies of reports to the committee.

Internal audit staff in the authorities have appropriate qualifications

All of the heads of internal audit so far hired, as well as staff, have the appropriate professional qualifications for their positions. To learn more about the operations of the health authorities and of the health care sector in general, internal audit staff are provided with opportunities for professional development. As well, the audit units have established a peer working group to: share internal assurance and audit information and experience; strengthen healthcare internal assurance and auditing functions and activities; identify and promote emerging best practices; and promote the internal assurance and audit profession in the province's health care industry.

Initial funding provided to the units is appropriate for start-up and will be reviewed when longer-term plans are prepared

The initial funding provided to internal audit was based on what each board considered to be sufficient to start the function, and not based on a comparison of internal audit funding for an organization of a similar size. Funding was also affected by the budgetary constraints in the authorities. We found, however, that all of the authorities have committed to reviewing the funding in the future and increasing it if it is deemed to be needed. In the future, we would expect the budgeting process to be based on the annual service plans and a multi-year audit plan that are formally approved by the board.

All of the internal audit groups prepared yearly plans, but only two of the four prepared multi-year plans

All of the four established internal audit groups have prepared an annual audit plan using some form of risk assessment to identify audit projects. However, only two of the authorities have prepared longer-term audit plans setting out audit coverage over a three- to five-year period. The others understand the need for multi-year plans and are in the process of preparing them.

Internal audit groups are using proper processes in carrying out their audits

The audit coverage varies in the authorities, as does the number of projects undertaken and completed. Although we did not carry out a detailed review of the files and the audit process, we determined that all audit groups are following the standards established by the Institute of Internal Auditors in carrying out their audits. These include attribute standards that set out the purpose, authority and responsibility of the internal audit function, and performance standards that deal with how the internal audit activity should be managed.

We noted that while the four authorities have started many audit projects and are close to completing them, only a few have been reported formally. Generally, the time to complete the projects has taken longer than expected and target dates have been exceeded. The groups have focused their attention on getting the internal audit function established and accepted by all parts of the authority.

Now that the groups are functional, we expect that they will be able to complete more projects in a timely manner in the future.

Internal audit units need to provide the board with a full accounting of their performance at the end of the year

All of the established internal audit groups have provided status reports on their activities to the boards, but only some units have prepared an annual report of their performance.

Looking forward

All of the authorities are moving in the right direction and should obtain significant benefits from their internal audit groups in the future. I encourage the boards of the authorities to continue to monitor their internal audit groups and ensure that they conduct their activities in accordance with the best practices set out below. By doing this, the boards and the organizations in general can expect to be well served by internal audit.

I also encourage government organizations that are planning to establish an internal audit function, and those that already have one, to use these best practices in establishing the new functions or in evaluating the existing ones.

Summary of Best Practices

Roles, Responsibilities and Authorities and Board Oversight of Internal Audit

- **The internal audit unit has an audit charter that clearly sets out its purpose, roles, responsibilities, and authorities.**
- **The audit charter is consistent with that of the Finance and Audit Committee.**
- **The audit charter has been approved by the board of the organization.**
- **The audit charter is reviewed periodically and updated as required.**
- **The internal audit unit reports functionally to the board, or to a committee of the board, and administratively to the CEO or a senior executive in the organization.**

- The internal audit unit attends Finance and Audit Committee meetings and has full access to information, employees, records and other material that it needs to carry out its responsibilities.
- The board is actively involved in the activities of internal audit by:
  - hiring, determining the compensation for, evaluating and if needed replacing the head of the internal audit unit;
  - approving the internal audit unit's short- and long-term plans and related resources;
  - initiating and approving specific requests for audits;
  - reviewing audit reports; and
  - evaluating the internal audit unit's performance.

Resourcing the Internal Audit Function

- Internal audit staff have the necessary qualifications, skills and experiences and are able to carry out their responsibilities effectively.
- Staff are provided with the appropriate tools and ongoing professional development opportunities to help them stay abreast of the organization's business as well as technological advances.
- When internal resources are not sufficient to staff audit projects, or where special expertise is needed, projects are augmented by seconding from other departments, or contracting from outside sources.
- Internal audit budgets are based on short- and long-term audit plans and are sufficient for the unit to carry out its approved work plans.
- Internal audit has full control over its budget after it has been approved by the board.

Planning Internal Audit's Activities

- The internal audit unit prepares short- and long-term plans that guide internal audit activities.

- The plans are based on an assessment of the risks in the organization's key activities and are prepared in consultation with senior management, the board, the external auditor and other relevant parties.
- The plans state how they fit into the organization's enterprise-wide risk management process.
- The plans, and any significant changes to them, are approved by the board.
- The plans include the resource requirements related to the activities outlined.
- The plans include measures to evaluate the performance of the internal audit unit.

The Audit Process

- The internal audit unit has clear audit policies, procedures, standards and rules of business conduct.
- Due professional care is used in planning and carrying out audit projects. This includes requirements for proper documentation of work, quality control, clearance processes and reporting.
- The audit plan for each audit clearly describes the objectives and the scope of the work, how the audit will be carried out, timelines for the work and reporting, and resources required.
- Audit reports are issued shortly after the audit has been completed.
- The reports describe the purpose of the audit, the scope of the work carried out, findings relative to best practices, and recommendations for taking action where problems and deficiencies have been noted.
- The report is discussed with management responsible for the area audited and management provides comments on how it will deal with the recommendations.
- The reports are distributed to management responsible for the area audited, the Chief Executive Officer, and the Finance and Audit Committee.
- Report recommendations are followed up for implementation.

Evaluating Internal Audit's Performance

- The internal audit unit has a process in place to assess its performance.
- The performance measures are included in the audit plan.
- The Finance and Audit Committee approves the performance measures.
- The internal audit unit provides a periodic status report on its activities to the Finance and Audit Committee.
- The internal audit unit prepares a formal annual report setting out the extent to which the commitments in the annual plan are being met.
- The Finance and Audit Committee reviews the annual report and discusses it with the internal audit unit.
- An external review of the internal audit unit is carried out periodically.

Audit Team

Endre Dolhai, Senior Principal

David Lau, Director

Detailed Report

The current health governance structure in British Columbia was established in 2002. It consists of six health authorities—a Provincial Health Services Authority and five geographic health authorities:

- Interior Health Authority
- Fraser Health Authority
- Vancouver Coastal Health Authority
- Vancouver Island Health Authority
- Northern Health Authority

Within these five health authorities are 16 health service delivery areas, with boundaries that reflect both the province's geography and patient and physician referral patterns. Exhibit 1 illustrates the structure of the health care system in the province, and Exhibit 2 shows the location of the health authorities and service delivery areas.

Together the Ministry of Health Services, the Provincial Health Services Authority and the five regional health authorities share responsibility for ensuring all health care programs are effectively and efficiently planned, delivered, monitored and evaluated on behalf of the residents of British Columbia. According to the Ministry, the specific responsibilities are as follows:

The Ministry of Health Services is primarily responsible for:

- developing provincial goals and province-wide standards;
- holding health authorities accountable for fulfilling their responsibilities;
- ensuring appropriate health outcomes are achieved province-wide; and
- delivering some services directly to the public, such as the Ambulance Service, Vital Statistics Agency, and Medical Services Plan and PharmaCare.

The Provincial Health Services Authority is responsible for:

- working with the five health authorities to plan and coordinate the delivery of provincial programs and highly specialized services, such as transplants and cardiac care;

Exhibit 1

Structure of the Health Care System in British Columbia

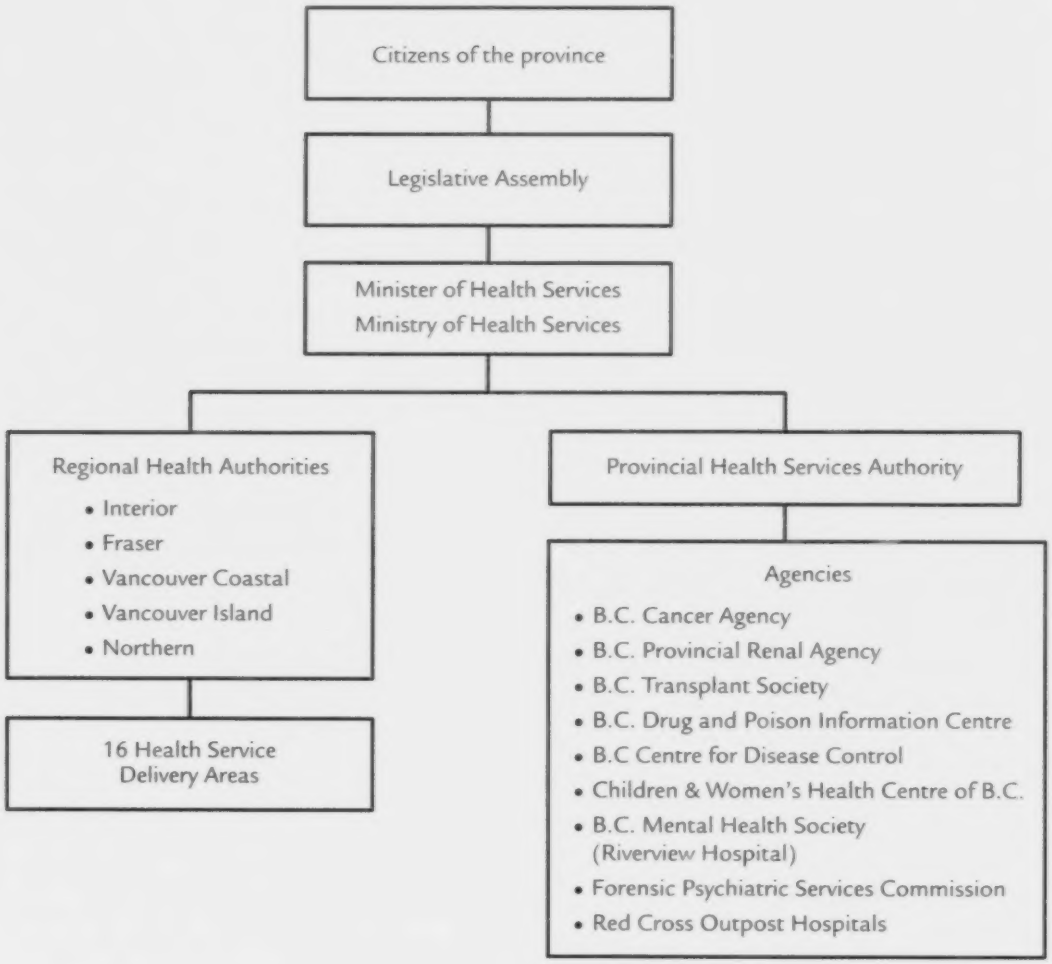
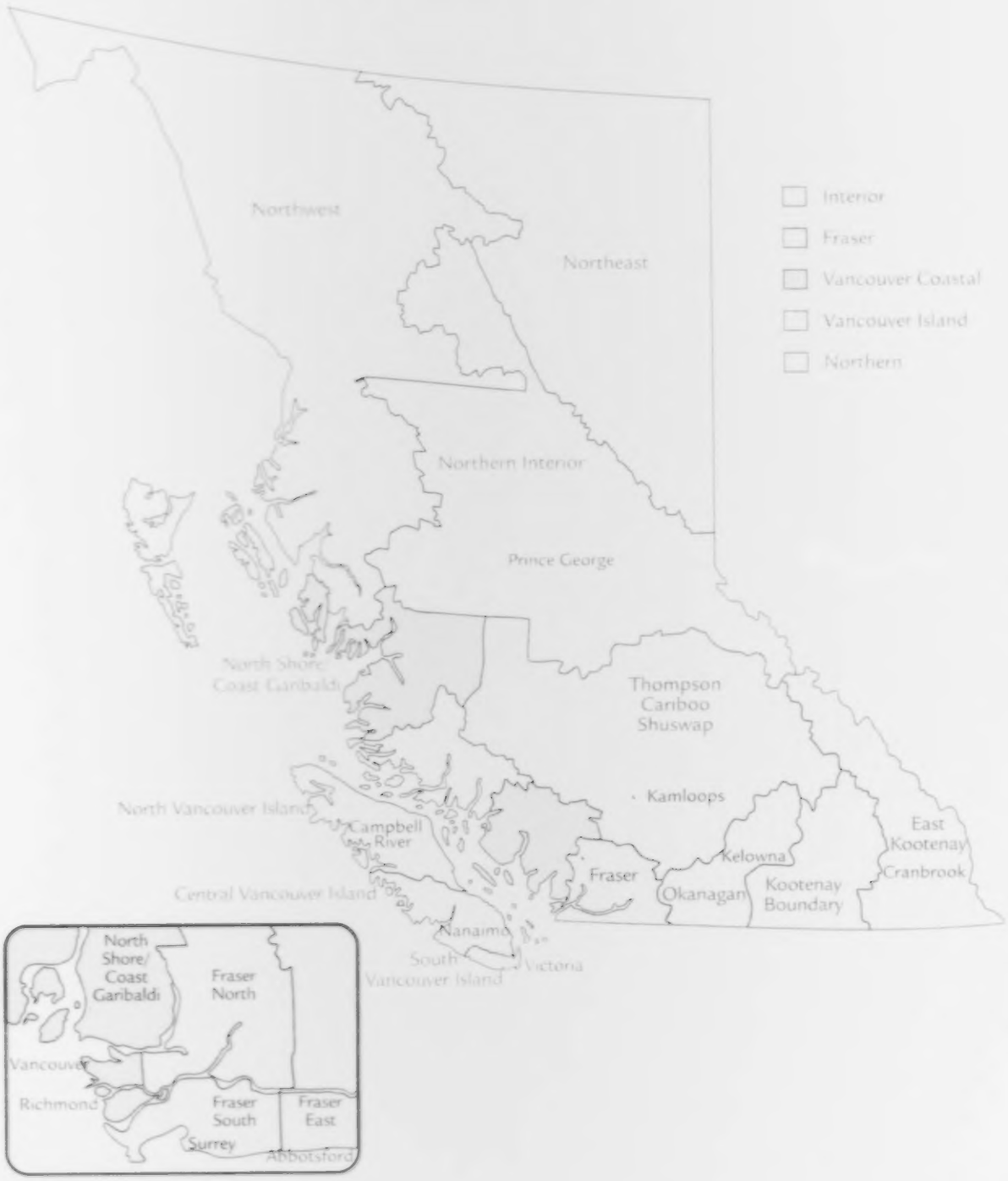

Citizens of the province
Legislative Assembly
Minister of Health Services
Ministry of Health Services
Regional Health Authorities
• Interior
• Fraser
• Vancouver Coastal
• Vancouver Island
• Northern
16 Health Service Delivery Areas
Provincial Health Services Authority
Agencies
• B.C. Cancer Agency
• B.C. Provincial Renal Agency
• B.C. Transplant Society
• B.C. Drug and Poison Information Centre
• B.C Centre for Disease Control
• Children & Women's Health Centre of B.C.
• B.C. Mental Health Society (Riverview Hospital)
• Forensic Psychiatric Services Commission
• Red Cross Outpost Hospitals

Exhibit 2

Health Authorities and Health Service Delivery Areas

Exhibit 2

Health Authorities and Health Service Delivery Areas



- ensuring that access and other service-related issues are equitably addressed; and
- governing and managing the organizations that provide health services on a province-wide basis (e.g., B.C. Cancer Agency and the Children's and Women's Health Centre of British Columbia).

The five regional health authorities are primarily responsible for:

- identifying regional health needs;
- planning appropriate programs and services; and
- ensuring that programs and services are properly funded and managed.

Senior staff for the 16 health service delivery areas are responsible for:

- managing the delivery of health services in their respective areas;
- meeting performance objectives set by their regions;
- incorporating community input into health service planning and evaluation for their areas; and,
- evaluating health status and plan performance.

Exhibit 3

Health Authority Financial and Staff Information at March 31, 2004

Health Authority	Assets ($ millions)	Revenues ($ millions)	Expenditures ($ millions)	Number of staff
Provincial Health Services	$620	$1,217	$1,227	10,000
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Fraser	740	1,619	1,621	20,000
Total	**$4,139**	**$7,684**	**$7,743**	**96,400**

Source: Health Authorities

The health authorities are significant players in providing health services to taxpayers. As Exhibit 3 illustrates, at March 31, 2004, they held assets of $4.1 billion, had revenues of about $7.7 billion for the year, incurred expenditures of about $7.7 billion; and employed about 96,000 people. Of the health authorities' revenues, $6.2 billion was provided as regional grants by the Ministry of Health Services from its $10.6 billion budget.

The Role of Health Authority Boards

The board of each health authority is responsible for ensuring that health needs in its region are identified and met efficiently and effectively. Well-performing boards are therefore critical to the success of the authorities. Board responsibilities generally include:

- providing the strategic direction for the authority and direction to senior management of the authority;
- selecting the Chief Executive Officer, approving senior executive appointments, and ensuring succession is planned;
- monitoring the performance of the authority and its financial position;
- overseeing the integrity of the authority's financial accounts and reporting;
- ensuring that significant risks facing the authority are identified and managed effectively;
- protecting the authority's assets;
- setting high standards for the ethical conduct of the authority's staff;
- ensuring that an appropriate communication policy is in place;
- ensuring compliance with legal and regulatory requirements; and
- accounting for the performance of the authority.

In carrying out its responsibilities, the board is usually assisted by committees set up by the board for specific purposes. The number and type of committees varies with the organization and the approach that a board is taking for overseeing the organization's activities. Generally, they include a finance and audit committee, a governance committee, and a human resources committee.

The Role of Finance and Audit Committee

The Finance and Audit Committee's job is to assist the board in fulfilling its oversight responsibilities. The committee does this by reviewing: the financial information provided to the stakeholders; the systems of internal controls that management and the board of directors have established; and both the internal and external audit processes. (The sidebar outlines the responsibilities of the committee.)

All of the six authorities have set up a Finance and Audit Committee. The Provincial Health Services Authority recently split its committee into two—a Finance Committee and an Audit Committee—to devote more time to the boards responsibilities in these areas. The Chair of the Board and the Finance Committee oversee the internal audit process and the Audit Committee generally deals with the external audit process.

A well-functioning internal audit group can provide the board with assessments and advice about what is going on in the authority and help them make decisions based on reliable and timely information.

The responsibilities of the Finance and Audit Committee relating to internal audit include:

- reviewing and approving the appointment, replacement, reassignment and dismissal of the head of internal audit;
- reviewing and approving the internal audit charter and ensuring it is compatible with that of the committee;
- reviewing and approving the audit plan and any significant changes to it;
- monitoring progress against the short- and longer-term audit plans;
- ensuring internal auditor neutrality and objectivity;
- reviewing the internal auditing department's budget and staffing;
- overseeing internal audit's liaison with the external auditor and management;
- ensuring internal auditors receive sufficient professional development to keep up to date;
- meeting with the head of internal audit to obtain status reports without management being present;
- receiving reports from the head of internal audit on audit findings;
- reviewing internal audit's compliance with required professional standards;
- reviewing internal audit reports and monitoring management's responses to findings, and the extent to which recommendations are implemented; and
- monitoring the effectiveness of the internal audit function.

Since the Finance and Audit Committee is an integral part of the control environment, it is important that the roles and functions of the committee, the internal audit group and the external auditor are clearly understood by all parties.

The Role of Internal Audit

The Institute of Internal Auditors defines internal auditing as "an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes."

Internal auditing reviews the reliability and integrity of information, compliance with policies and regulations, the safeguarding of assets, the economical and efficient use of resources, and the operational goals and objectives of the organization. It covers all aspects of an organization's operations, from finance and systems to service delivery and human resources. It serves not only the board and management, but the whole organization.

Within a health authority there are many functions an internal audit unit can carry out, including reviewing and appraising:

- the adequacy, reliability and integrity of the information being provided for decision-making and for accountability, and the extent to which this information is being used;
- the systems developed to control the organization's operations, their design, and the operation of all existing systems and procedures;
- the risks facing the authority and ways to reduce those risks;
- the degree to which the organization is complying with legislation, management plans, procedures and policies;
- the acquisition and disposal of assets and the safeguarding of assets and interests from losses, including those arising from fraud, malpractice and irregularity; and
- arrangements for the economic and efficient use of resources and for avoiding waste.

In addition, an internal audit unit may be called on to assist in carrying out special investigations requested by the board and management.

The Role of External Audit

Unlike an internal audit, an external audit is carried out by auditors who are outside the organization and independent of it. Its purpose is to provide an opinion on the fairness of the financial statements and related information prepared by the organization. The external auditor can place reliance on the work carried out by the internal auditors. The degree of reliance is determined after the internal audit function is assessed in terms of its effectiveness and relevance.

In the following sections of the report, we present our findings, organized around the three main questions:

- Do boards and management use internal audit effectively?
- Do internal audit groups have appropriate capacity to be to effective?
- Are internal audit groups effective in performing their responsibilities?

For each part, we provide what we found to be the best practices in internal audit, our findings in comparison to those practices, and our conclusions.

Do boards and management use internal audit effectively?

It is important that the boards of the health authorities have a good understanding of the contribution internal audit can make in assessing and reporting on internal controls, risk management, management information systems and other significant areas. As well, to gain maximum benefit from internal audit, the boards need to be actively involved in the audit group's activities.

Best Practice—Roles, Responsibilities and Authorities and Board Oversight of Internal Audit

- The internal audit unit has an audit charter that clearly sets out its purpose, roles, responsibilities, and authorities.
- The audit charter is consistent with that of the Finance and Audit Committee.
- The audit charter has been approved by the board of the organization.
- The audit charter is reviewed periodically and updated as required.
- The internal audit unit reports functionally to the board, or to a committee of the board, and administratively to the CEO or to a senior executive in the organization.
- The internal audit unit attends Finance and Audit Committee meetings and has full access to information, employees, records and other material that it needs to carry out its responsibilities.
- The board is actively involved in the activities of internal audit by:
  - hiring, determining the compensation for, evaluating and if needed replacing the head of the internal audit unit;
  - approving the internal audit unit's short- and long-term plans and related resources;
  - initiating and approving specific requests for audits;
  - reviewing audit reports; and
  - evaluating the internal audit unit's performance.

We concluded that all the boards have acknowledged the value of internal audit. They have clearly set out internal audit's roles, responsibilities and accountabilities in audit charters and established the necessary processes to ensure they are adequately involved in internal audit's activities.

All the health authority boards have either set up an internal audit unit or are now doing so

We found that all of the boards went through a process of assessing whether an internal audit function would provide benefits to them and management, and whether such a unit should be established. In the end, all of them concluded that the benefits would outweigh the costs incurred and all six decided to set a unit up in their authorities.

Internal audit is new for the health authorities. Under the previous organization of the health sector, which consisted of 11 regional health boards, 34 community health councils, and 7 community health services societies, only 2 of the organizations had internal audit groups.

At the time of our review four of the six authorities—Provincial Health Services, Vancouver Island, Interior, and Fraser—already had working internal audit groups in place. The Northern Health Authority had recently hired a Director to set up the function and Vancouver Coastal was in the process of recruiting an Audit Director. Exhibit 4 illustrates the status of the various internal audit units in the authorities.

The mandates of all internal audit groups are comprehensive and address all significant areas of operations

It is important that the mandate and functions of internal audit are clearly defined. This is usually done in an audit charter, which sets out the purpose of the internal audit activity, its authority, and its responsibilities. (The sidebar outlines the components of an audit charter.)

We found that the four authorities with the internal audit groups have drawn up comprehensive audit charters. As well,

Exhibit 4

Status of Internal Audit Units in the British Columbia Health Authorities

Authority	Date internal audit unit set up	Head of Internal Audit
Provincial Health Services	February 2003	Assurance Director
Vancouver Island	December 2002	Audit Director
Vancouver Coastal	In process of being set up	Not yet appointed
Northern	July 2004	Audit Director
Interior	March 2003	Audit Manager
Fraser	August 2002	Audit Director

Source: Health Authorities

although the internal audit function has not yet been set up there, the Northern Health Authority has developed a draft charter that will be reviewed by the newly hired Audit Director and changes made if needed. All of the existing charters have been approved by the boards of the respective authorities.

The mandates of the individual internal audit groups include all significant functions and operations of the authorities, except for clinical risks, which have been excluded in all of the authorities, except for the Vancouver Island Health Authority. There are a number of reasons for this exclusion. First, the boards involved felt that because internal audit is just starting, the units should focus their limited resources on financial issues. The boards need the assurance that all of the related risks are well managed. Second, none of the internal audit units currently has the technical skills to review this highly specialized area of clinical risk. And third, external bodies have the mandate to look at clinical issues as they arise and the time and resources to carry out those reviews. The results of those reviews are reported to the board. (Appendix A presents an example of an organizational review process, illustrating all the bodies involved in the process.)

An audit charter typically describes:

- the roles, responsibilities and authorities of the internal audit unit;
- the reporting relationship of the unit, both functional and administrative;
- the scope of the internal audit activity;
- restrictions to internal audit activity;
- internal audit's relationship with other internal evaluation mechanisms;
- a requirement for accountability on performance;
- the authorization for access to information, employees, records and other material as deemed necessary;
- the requirement that managers and staff cooperate with internal audit and provide information and responses to reports on a timely basis;
- the authorization to attend audit and other board committee meetings;
- standards of audit practice;
- a code of ethics;
- the internal audit unit's relationship with the organization's external auditor;
- the distribution of audit reports and summaries of audit reports;
- the requirement for follow-up of recommendations; and
- internal audit's involvement with other areas such as fraud investigation and review of new systems and technology.

We noted that none of the internal audit charters defines clinical risks, risks generally associated with the activities of health professionals, such as physicians and nurses, and other professionals. The Interior Health Authority internal audit group carried out a review of infection controls, even though its charter states that clinical risks are excluded from its mandate. The authority told us that they undertook the project because they felt it was within the mandate of internal audit. We therefore believe that it is important to clearly define what clinical risks are in the context of the activities of internal audit. This will help groups determine what audit projects they can undertake and what expertise they need to carry out projects selected.

At this stage, when the audit groups are not yet fully functional, it is reasonable that they focus on the traditional internal audit activities. As the groups mature and the extent of their workloads are better known, internal audit's mandate can be expanded.

We also noted that in some authorities fraud investigations are not specifically mentioned in all the charters, but the boards expect that the internal audit units will coordinate the investigation of fraud cases.

As well some audit charters require that the mandate of the unit be coordinated with that of other internal evaluation mechanisms. All of the authorities, for example, have other accreditation or evaluation mechanisms, that periodically review activities as part of the authorities' risk management process or as part of other professional requirements. It is therefore important that internal audit is aware of other similar activities in their authorities. Only in this way can they ensure that all major risks are properly managed and that work is not duplicated. Ideally, the process should start with a thorough identification of the risks affecting the authorities, an evaluations of those risks, and preparation of a plan addressing how those risks will be managed. Management and evaluation of those risks can then be assigned to specific groups, internal audit being one of them.

Another important issue that the charter has to address is the internal audit unit's right to access records, people, property and locations. Without this, audit staff cannot carry out their

responsibilities effectively. All of the internal audit charters we examined state clearly that internal audit have appropriate access rights.

Overall, we believe the health authorities have done a good job of setting out the roles responsibilities, boundaries and other significant issues in their audit charters. Although we noted some variations between the individual charters and some omissions (relative to those listed in the sidebar), all the major elements were included.

As internal auditing in the authorities matures, the charters should be reviewed on an ongoing basis to ensure they continue to be in line with best practice and the wishes of the board.

All internal audit groups report to, and have direct access to, the boards

For internal audit to be successful, the unit must be independent from management and have a direct reporting relationship and access to the board. Usually, internal audit units report to the Finance and Audit Committee. This enables the head of internal audit to have a direct communication with the committee, attend its meetings and develop a close working relationship with the committee's Chair.

Although the internal audit unit should report to the Finance and Audit Committee, it also needs another reporting mechanism to deal efficiently with administrative issues such as pay, facilities, equipment, travel and professional development. To fulfill this function, internal audit usually reports to a senior executive in the organization.

Internal audit staff should also be invited to significant meetings of the board, such as strategic planning sessions and meetings where significant operational issues are discussed. This ensures the internal audit unit is informed about what is happening in the organization, and it provides audit staff with an opportunity to interact with the other executives.

We found that in all of the authorities with an internal audit unit, the units were reporting to the Finance and Audit Committee. The exception was the Provincial Health Services Authority, whose internal audit unit reports to the chair of the board. Administratively,

each unit reports to a senior executive who is responsible for helping the unit carry out its functions. In three of the authorities, internal audit has a dual reporting relationship, reporting to both the Finance and Audit Committee and the Chief Executive Officer. We believe that this arrangement is appropriate as long as the main reporting relationship is to the board and the board is fully aware of the situation and is effectively involved with internal audit's activities.

Internal audit heads told us that the above arrangements are appropriate and work well. The arrangements are also in line with best practice. Exhibit 5 illustrates the reporting of internal audit in the health authorities.

Exhibit 5

Internal Audit Reporting in the Health Authorities

Authority	Functional Reporting	Administrative Reporting
Provincial Health Services	Chair of the Board	President and Chief Executive Officer
Vancouver Island	The Finance and Audit Committee and the Chief Executive Officer	Vice-President, Finance, Planning and Performance
Vancouver Coastal	Expected to report to the Finance and Audit Committee	Expected to report to the Chief Financial Officer
Northern	Chair of the Finance and Audit Committee and the Chief Executive Officer	Vice-President, Finance and Information
Interior	Chair of the Finance and Audit Committee and the Chief Executive Officer	Chief Operating Officer, Corporate and Strategic Services
Fraser	Chair of Finance and Audit Committee	Vice President, Clinical Support, Health Protection and Systems Evaluation

Source: Health Authorities

The boards have set up good mechanisms to oversee the activities of internal audit

Since internal audit serves the board, it is important that the board be actively involved in its activities. This involvement is generally delegated to the Finance and Audit Committee which manages or approves the hiring, evaluation and replacement of the head of internal audit, discusses and approves internal audit's short-term and long-term plans, generates or reviews specific requests for audit projects, reviews audit reports, and approves internal audit's resources.

We found that all of the boards, through the Finance and Audit Committee or the Board Chair, are aware of, and involved in, the activities of their internal audit group. The committees have been directly involved in hiring the current internal audit heads. Each existing internal audit unit provides regular reports to its respective committee on the status of its activities. In all cases, internal audit heads told us they had unfettered access to the Finance and Audit Committee and the Chief Executive Officer. They also felt they had strong support from these sources that enabled them to carry out their activities efficiently and effectively.

Since the internal audit groups have only recently been set up and are still in the process of establishing themselves, it will take some time before the general processes that need to exist between the committee and the audit groups are fully functional in all authorities.

Do internal audit groups have appropriate capacity to be effective?

A strong and competent internal audit group is essential if it is to assist the board in carrying out its oversight responsibilities effectively. Internal audit staff should have the necessary qualifications, skills and experiences to be able to address the risks of the organization. Staff should also be provided with the appropriate tools and continuing professional development to help them stay abreast of the organization's business as well as of related technological advances. Internal resources can be augmented by seconding from other departments or contracting from outside sources if necessary resources are not available or if special expertise is not available in-house.

The work of internal audit should be set out in appropriate short- and long-term plans, which should also include the required resources. The audit work should be based on appropriate standards and processes and be appropriately planned, carried out and reported.

Best Practice

Resourcing the Internal Audit Function

- Internal audit staff have the necessary qualifications, skills and experiences and are able to carry out their responsibilities effectively.
- Staff are provided with the appropriate tools and ongoing professional development opportunities to help them stay abreast of the organization's business as well as technological advances.
- When internal resources are not sufficient to staff audit projects, or where special expertise is needed, projects are augmented by seconding from other departments, or contracting from outside sources.
- Internal audit budgets are based on short- and long-term audit plans and are sufficient for the unit to carry out its approved work plans.
- Internal audit has full control over its budget after it has been approved by the board.

Planning Internal Audit's Activities

- The internal audit unit prepares short- and long-term plans that guide internal audit activities.
- The plans are based on an assessment of the risks in the organization's key activities and are prepared in consultation with senior management, the board, the external auditor and other relevant parties.
- The plans state how they fit into the organization's enterprise-wide risk management process.
- The plans, and any significant changes to them, are approved by the board.
- The plans include the resource requirements related to the activities outlined.
- The plans include measures to evaluate the performance of the internal audit unit.

. . .continued

Do internal audit groups have appropriate capacity to be effective?

The Audit Process

- The internal audit unit has clear audit policies, procedures, standards and rules of business conduct.
- Due professional care is used in planning and carrying out audit projects. This includes requirements for proper documentation of work, quality control, clearance processes and reporting.
- The audit plan for each audit clearly describes the objectives and the scope of the work, how the audit will be carried out, timelines for the work and reporting, and resources required.
- Audit reports are issued shortly after the audit has been completed.
- The reports describe the purpose of the audit, the scope of the work carried out, findings relative to best practices, and recommendations for taking action where problems and deficiencies have been noted.
- The report is discussed with management responsible for the area reviewed and management provides comments on how it will deal with the recommendations.
- The reports are distributed to management responsible for the area audited, the Chief Executive Officer, and the Finance and Audit Committee.
- Report recommendations are followed up for implementation.

We concluded that the boards have allocated sufficient funds for starting an internal audit function, with the understanding that funding would be reviewed later on and additional resources added if needed. Given the size of the authorities, we think it is inevitable that funding will have to be increased later to allow the audit units to fully carry out their mandates and properly serve the boards.

We also concluded that internal audit staff in the authorities have appropriate qualifications to carry out their responsibilities. The units are using proper processes in carrying out their audits, however to date few projects have been completed and reported on.

Internal audit units need staff with a wide range of skills

Internal audit groups must have staff who are qualified to carry out audits and able to provide reliable assessments and advice to the boards. Collectively, internal audit staff in each health authority should have the necessary experience, skills and knowledge of the authority and of the health sector in general to ensure they can competently handle all assignments they undertake. When such expertise is not available in-house, it should be contracted from elsewhere.

Do internal audit groups have appropriate capacity to be effective?

In carrying out their wide range of responsibilities, internal audit units need staff who can:

- communicate with the board and senior management;
- identify audit activities through risk assessments;
- identify the staffing needed to carry out specific assignments, including any external expertise needed;
- establish audit methodology, policy and manuals;
- coordinate investigations of fraud and irregularities;
- establish a quality-control process throughout the audit cycle;
- evaluate findings and communicate them to all stakeholders effectively; and
- monitor the compliance with legislation, policies and procedures.

These responsibilities go beyond requiring individuals simply to have technical skill and appropriate accounting or auditing designations. Integrity, a commitment to ethical conduct, strong interpersonal skill and self motivation are also needed. As to professional qualifications, accounting and auditing continues to be the most common background for internal auditors, but backgrounds in other areas such as nursing, clinical practice and compliance are on the increase. As well, information technology will continue to be a desired background for audit staff.

Internal audit staff in the authorities have appropriate qualifications

We found that all health authorities board members and senior management have recognized the importance of filling the position of the head of internal audit with a competent individual. They set out clearly the qualification requirements and played a key role in the recruiting process. The chair of the board and senior management were involved in the interviewing and selection process and ensured that the persons recruited possessed the necessary qualifications for the position.

We also found that all of the heads of internal audit have the appropriate professional qualifications for the position. Two of them have experience in the public sector—one in the health authority where the person was appointed to the position, and

the other in a major Crown corporation—and the remaining three are from the private sector. Clearly, obtaining the necessary knowledge about the health authorities specifically and the health care sector in general is a top priority for the internal audit heads. The boards and senior management have recognized that and taken steps to assist them in gaining this knowledge by having them report administratively to a Vice-President or Chief Executive Officer.

The internal audit heads in all authorities are at the director level, except for the one in the Interior Health Authority. The Interior board has decided to hire at the manager level, with the idea of letting the individual grow into a director position.

All the other staff in the internal audit department have professional accounting designations and a number of years of experience in internal and financial auditing, which should allow them to carry out their responsibilities.

All internal audit groups can obtain outside expertise when needed

Resources provided to internal audit units generally include both staff and expertise obtained from elsewhere. Internal audit staff generally provide the core of a unit's resources, giving it the capacity to function through their knowledge of the business. The annual internal audit plan usually covers both the internal capacity of the unit and the need to supplement such capacity with outside expertise. The budget for internal audit services should therefore provide funds for contracting for outside services where the expertise is not available in-house, or if the unit is not yet staffed up to the desired level or is temporarily understaffed.

It is generally recognized no internal audit department, especially a smaller one, can collectively possess all of the skills and knowledge required on all audit projects. For some audits, specialist skills are required (in, for example, information technology, a particular health care area, project management, or fraud investigations) and have to be obtained from elsewhere. There are two ways of doing this: seconding from another department in the organization or contracting the services from external suppliers.

Do internal audit groups have appropriate capacity to be effective?

Internal audit departments today are increasingly using co-sourcing arrangements to obtain the necessary resources they need to audit unique, complex or speciality areas. We think that this type of arrangement is a good use of resources and has the potential benefit of transferring knowledge to the audit staff. However, co-sourcing does not necessarily mean seeking help from outside the organization. There are sources within the organization and government's own audit departments—such as the Billing and Integrity department in the Ministry of Health Services, and the Internal Audit and Advisory Services in the Ministry of Finance—that health authorities could access. However, when using this type of an arrangement, the objectivity of individuals from within the organization who are assigned to work with the group can be a concern. Therefore, the audit arrangement must be carefully planned and monitored.

Another way to gain expertise is to purchase services from external experts (outsourced). The most common outsourced skill is information technology. While this arrangement may yield the quickest results, the process must be carefully planned and monitored to ensure the promised deliverables and value for money are received.

We found that the boards of all the authorities recognize that internal audit is in an evolutionary phase and does not yet have all of the resources it needs to carry out its responsibilities. Their annual plans generally include the use of outside professional services, and funds have been included in the individual budgets for that purpose. One authority is already using the internal expertise from another department and the feasibility of doing this is being considered by the other authorities.

There is good cooperation between health authority internal audit groups

The internal audit groups in the authorities have recognized that there is great benefit in cooperating with each other and sharing experiences. This is especially useful to them, since all have recently been set up. They established the BC Healthcare Internal Assurance and Auditors Peer Group whose mission is to:

- share internal assurance and audit information and experience;
- strengthen health care internal assurance and auditing functions and activities;
- identify and promote emerging best practices; and
- promote the internal assurance and audit profession in the province's health care industry.

The Peer Group meets quarterly to exchange information on issues facing the authorities and to share ideas about how they should deal with those issues. The group also occasionally invites representatives from private sector audit professionals, the Ministry of Health Services, the Internal Audit and Advisory Services of the Office of the Comptroller General and the Office of the Auditor General. We believe this is a good way for the groups to learn from each other.

An Information Technology Specialist, who is in high demand in the authorities to carry out technical reviews of new and existing systems, is not currently available in the audit groups. Jointly hiring such an expert would enable the authorities to realize some cost savings over contracting for this type of service individually. Another option to explore is for the authorities to jointly issue a request for proposals for this, and other specialized services needed, and to put the selected individual, or individuals, on a retainer.

The boards generally support and have provided funding for ongoing professional development

Internal auditing is a dynamic and changing field that is no longer constrained by the traditional role of internal audit activities. Professional standards, the complexity of the health care industry, regulatory requirements, and change in technology drive the need of ongoing professional training. Since the primary resource of any internal audit department is staff, providing sufficient high-quality staff training is a significant challenge for the profession. Internal audit departments need to assess the short-and long-term need for core resources and capabilities, identify the type of education program needed to meet those requirements, and develop plans to address the needs.

We found that three of the four boards with established internal audit departments recognize the importance of ongoing professional development and training for internal auditors. They have provided funds for staff to go to training courses and conferences and to take advantage of other training opportunities. In the fourth authority, no funds have been included in the budget, and monies requested for that purpose have to be approved by the person internal audit is reporting to administratively and be funded from a separate budget. We believe this is not an appropriate process and does not ensure the unit's independence.

We noted that the groups have not yet developed a professional development plan that would be useful in setting out the development needs of staff and how those needs will be met.

Initial funding provided to the units is appropriate for start-up and will be reviewed when longer-term plans are prepared

Internal audit groups require a budget that will allow them to carry out their responsibilities efficiently and effectively. When determining how much funding should be allocated to internal audit, health authority boards must consider the other needs in their organizations. Health care spending is currently under pressure in all of the authorities. Boards must therefore ensure that scarce resources are used in the best way to deliver health care and to get good value for the funds allocated to internal audit.

Do internal audit groups have appropriate capacity to be effective?

We found that the current resources allocated to internal audit groups in the authorities were not based on benchmarks for similar organizations, nor were they tied in with the scope of work set out in the audit charter or in the audit plans. Instead the boards have allocated the amount of funding to the function that they considered was sufficient to start up an internal audit unit, with the understanding this would be reviewed later and resources added if deemed necessary. Funding allocation was also affected by budgetary constraints the authorities have faced overall. The board had to consider the relative priority of the needs of internal audit versus other programs.

Senior management in the authorities is involved in reviewing the internal audit departments' annual budget request. Although the boards approve the overall budget, they do not review its components.

We also found that all of the current budgeting process focuses on the annual service needs. None of groups prepares a longer-term budget that is matched to a multi-year audit plan.

As well, the contents of the budgets of the individual audit groups varied in detail. Most included the cost of salaries and benefits, contracted services, professional development and travel, and other expenditures. In one, however, only salaries and benefits have been approved. For that budget, other expenses are funded from a Vice-President's department to which the head of the internal audit department reports administratively. Expenses incurred have to be authorized by the Vice-President. We do not believe this is an appropriate process because it does not ensure the funding or the independence that internal audit needs to be able to carry out its responsibilities. Exhibit 6 shows the current budgets for the internal audit groups.

We believe the boards' approach of providing initial resources to establish internal audit is appropriate at this time. However, as the groups mature and gain more experience in carrying out their responsibilities, and as the boards begin to evaluate internal audit's performance, funding allocation should take into account what the units are required to do by the audit charters and short- and long-term audit plans.

Exhibit 6

Budget Provided to Internal Audit in the Health Authorities for 2004/05

Authority	Budget $	% of Authority Expenditure
Provincial Health Services	273,400	0.022
Vancouver Island	304,008	0.024
Vancouver Coastal	250,000[a] 500,000	0.025
Northern	150,000	0.034
Interior	294,880	0.025
Fraser	248,158[b] 310,106[c]	0.019

[a] Partial year funding only. Estimate for next year is $500,000. No budget commitment made as yet.

[b] Approved salaries and benefits only.

[c] Requested by internal audit, but not yet approved.

Source: Health Authorities

All of the internal audit groups have prepared yearly plans, but only two of the four have prepared multi-year plans

An internal audit group needs to manage the internal audit activity effectively if it is going to add value to the organization and contribute to the improvement of risk management, control, and the governance process. The heads of an internal audit department must exercise great care in planning the department activities to ensure that the significant risks and exposures of their organization are addressed. Best practice suggests that a formal audit plan should be developed to guide internal audit activities.

An audit plan should based on an assessment of the risks in the organization's key activities and should be prepared in consultation with senior management, the Finance and Audit Committee, selected board members, the external auditor and other parties as required. If the organization already has an

enterprise-wide risk management process in place, that process can be used by internal audit as a basis for its own plan. The audit plan should also identify all consulting engagements designed to improve management of risks, add value, or otherwise improve the organization's operation. (The sidebar outlines the components of an internal audit plan.)

In addition to the yearly plan, a longer-term plan should also be prepared, generally for a period of three to five years. The period should be long enough to ensure all key systems and areas of activity will be audited in that time. This multi-year audit plan should be updated every year and used to develop an annual plan. The annual plan should translate the longer-term plan into a schedule of audit assignments to be carried out during a particular year.

An internal audit plan generally includes:

- an executive summary;
- a description of the objectives of internal audit;
- a review of the past year's performance;
- key organizational issues and risks, including:
  - the strategic direction for the organization;
  - a description of how internal audit links in with other plans in the organization and how it will assist the organization in achieving its strategic direction;
  - key risks and issues facing the organization; and
  - the areas that internal audit will focus on.
- the annual work program, setting out:
  - how internal audit will address the key risks and management concerns facing the organization;
  - the types of audits that will be carried out and the rationale for the allocation (operational audits and reviews, performance and compliance audits, advisory services, special investigations);
  - a description of the projects that can be carried out with existing resources;
  - a description of the projects that would be carried out if additional resources were available; and
  - follow-up that assesses the implementation of previous recommendations;
- resources—financial, human and technological—available to the group;
- the budget for the department, actual for previous year and requested for the plan, setting out the amount to be spent on the procuring outside services or co-sourcing;
- performance measures, including specific targets setting out how internal audit's performance will be measured; and
- a communication plan

We found that each of the four established internal audit groups has prepared an annual audit plan. Although the plans vary from one group to the other, they all set out the general direction of internal audit in the health authority. All audit groups used some form of risk assessment to identify audit projects, and all indicated that the risk assessment criteria were established in conjunction with senior management and had received the approval of the board. The projects selected were given priority according to a risk matrix and each project was well described in the plan. Also useful, we believe, would be to ensure each plan clearly state how the selected projects fit into the authority's overall enterprise-wide risk management plan, if such a plan has been prepared.

Only one of the annual audit plans we saw set out the resources needed to carry out the plan; only two included key performance indicators; none included timelines for report delivery. All of the plans were discussed by the Finance and Audit Committee and received endorsement from the members.

As for multi-year plans, we found only two of the health authorities prepared three-year audit plans, both covering the key components as described above. The others recognized the need for such plans and were in the process of having them prepared. It is important that these plans clearly set out how each major system or high risk area identified in the risk evaluation will have audit coverage over a period of three to five years (the typical length of such plans).

Internal audit groups are using proper processes in carrying out their audits

For individual audit projects to be effective and efficient, due professional care must be used in planning and in carrying them out. Clear internal audit policies, procedures, audit methodology, standards and rules of business conduct must support this effort, and should include requirements for the proper documentation of work, quality control and clearance processes, and reporting. This documentation is generally presented together in an audit manual which, in addition to describing these various matters, also describes the unique characteristics of the organization and how the internal

audit process should deal with them. The audit manual also helps to demonstrate that the internal audit group is following proper standards and procedures in carrying out its work and that the process is transparent. (The sidebar outlines the topics of a well-prepared audit manual.)

One important area that will need to be covered in the health authorities audit manuals is the extent to which the Freedom of Information and Protection of Privacy Act applies to the authorities' internal audit groups. Audit staff should be aware of how to deal with audit working papers that may contain sensitive information and are not exempted from the Act. Since this is an issue that applies to all of the authorities, we think that the groups should consider establishing a joint policy based on guidance received from the Information and Privacy Commissioner of the province.

A well prepared audit manual generally includes the following key areas:

- The role of internal audit
  - Audit charter
- Independence, ethical behaviour and professional proficiency
- Managing the internal audit function
  - Management of the internal audit unit
  - Project management
  - Impact of the Freedom of Information and Privacy Act
  - Project selection methodology
  - Outsourced and co-sourced policies and processes
- The audit process
  - Audit methodology
  - Planning for the audit
  - Collecting, examining and evaluating information
  - Tracking, resolving and communicating audit findings
  - Reporting
  - Follow-up
- Quality control processes
- Review and signing off

Do internal audit groups have appropriate capacity to be effective?

No internal audit group at the time of our audit had prepared an audit manual and none are yet planning to do so. Staff told us that because each unit is small, reliance can be placed on the competence of the staff, the quality control provided by the head of internal audit, and the guidance offered by the Institute of Internal Auditors. Although we did not carry out a detailed review of files and the audit process, we observed that all audit groups have adopted the standards established by the Institute of Internal Auditors in carrying out their work.

As well, the groups believe that it is more important for their units to focus on carrying out audit projects and building credibility with senior management and the board than spending time on developing an audit manual. We believe this is a reasonable approach by the groups at this time. Should the size of the groups grow in the future, joint production of a standard internal audit manual for all health authorities is worth considering.

Few projects have been completed and reported on

The culmination of audit work is an audit report. Such reports typically present the purpose of the audit, the scope of the work carried out, findings relative to best practices, and recommendations for taking action where problems and deficiencies have been noted. The report is usually discussed with management responsible for the area reviewed, to give management an opportunity to comment and to describe how it will deal with the recommendations. If management decides not to implement a recommendation, it can state the reasons for the decision and senior management and the board can determine whether they are satisfied with the position taken. To ensure that senior management and the board are informed about internal audit findings on a timely basis, it is important that audit reports be issued shortly after the audit has been completed.

When reviewing the health authorities internal audit projects, we found that many projects have been started and are close to completion but not yet reported formally. (The sidebar outlines audit projects undertaken to date.) The main reasons are that some groups are only recently established and had to spend considerable time just getting the function established and

accepted by all parts of the authority and they have not had much time to spend on projects. All audit findings for each project must be discussed with line management before a report is finalized. As well, management is asked to provide its comments on each report's findings and recommendations, along with an action plan on how and when the recommendations will be implemented. This review process is time-consuming and the time to complete the projects has taken longer than expected. The groups have also carried out other work during this time, such as providing advisory services that does not generally result in a report. Now that the units are operating, we expect they will able to complete more projects in the future and report them on a timely basis.

The format of the reports and draft reports we looked at varied from group to group, but generally included the significant areas that a good report should address. The reports issued to date have been distributed to the appropriate stakeholders, including management responsible for the program or area being audited, senior management, and the Finance Committee and Audit Committee. The boards and senior management are kept informed about the status of projects through the groups' regular reporting on activities.

Each audit group requires follow-up of implementation of recommendations

After reports have been issued, a board needs the assurance that the problems identified are dealt with on a timely basis. It is therefore important that internal audit groups put a process in place to allow for timely follow-up work to be carried out and reported to the board. The board then has an opportunity to review the organization's progress in implementing the recommendations and to take action if implementation of high-risk recommendations has still not been addressed after a reasonable period of time.

We found two authorities' audit charters require audit follow-up, and in the other authorities there is an expectation by the board that follow-up reviews will be carried out. Only one of the authorities has a fully functional process of following up recommendations, requiring this to be done twice a year, or at the specific time agreed to in management's action plan.

Projects Undertaken by Internal Audit Groups

Internal control reviews

- Pharmacy controls
- Residential care service providers
- Support service providers
- Mental health care service providers
- Physician service contracting
- Material management
- Contractual payment data base
- Physician compensation

Financial control reviews

- Financial policies
- Treasury management
- Payroll
- Payables
- Operational planning and budgeting
- Capital equipment cycle
- Contracting process
- Patients' trust funds

Information systems

- Data access and security
- Disaster recovery planning
- Information technology conversion

Other

- Infection control policies
- Governance policies
- Health and welfare benefits administration
- Human resource policies
- Time entry and scheduling
- Organization-wide risk assessment
- Review of signing authority policy matrix
- Analysis of expenditures
- Logistics/supply chain management
- Personnel recruitment
- Accountability
- Outsourcing initiatives

Like every other program, internal audit should have processes in place that allow it to assess its own performance. The head of internal audit should develop the performance measures, solicit the Finance and Audit Committee's approval of them, and include them in the audit plan. After the end of the year, the internal audit unit should prepare a formal annual report, setting out the extent to which the commitments in the annual plans were met. The report should then be forwarded to the Finance and Audit Committee who will review it and determine whether the unit had met the expectations of the board.

Best Practice—Evaluating Internal Audit's Performance

- The internal audit unit has a process in place to assess its performance.
- The performance measures are included in the audit plan.
- The Finance and Audit Committee approves the performance measures.
- The internal audit unit provides a periodic status report on its activities to the Finance and Audit Committee.
- The internal audit unit prepares a formal annual report setting out the extent to which the commitments in the annual plans are being met.
- The Finance and Audit Committee reviews the annual report and discusses it with the internal audit unit.
- An external review of the internal audit unit is carried out periodically.

We concluded that because the internal audit units are still in the start-up phase, they have not yet reached the capacity to be as effective as they could be. Only some of the groups have prepared an annual report of their performance, although all of them are providing written status reports on their activities to the boards. As the various groups mature, they will be able to serve the boards better.

Internal audit units need to provide the board with a full accounting of their performance at the end of the year

Performance measures can include those developed internally, as well as those developed through feedback from external auditors, auditees and other stakeholders. (The sidebar provides a list of potential performance measures.) Such measures help an internal audit unit evaluate its effectiveness and make the necessary improvements over time.

Potential performance measures that can be used by internal audit groups in measuring and reporting on their effectiveness:

- number and percentage of recommendations accepted by management;
- number and percentage of recommendations implemented;
- percentage of projects completed as compared to those proposed in the annual plan;
- percentage of target dates met for issuance of reports;
- savings generated, compared to the cost of internal audit;
- number of days for issuing the report after completion of the fieldwork;
- expenditures for the year versus the allocated budget;
- percentage of staff utilization;
- auditee satisfaction with the usefulness of the audit project selected, the professionalism of audit staff and the approach to the project;
- audit committee satisfaction with the internal audit department;
- average cost per project; and
- management requests undertaken.

We found that not all of the internal audit units in the health authorities have developed performance measures or reported on their performance. One of the units has set out such measures in the audit charter and another in the annual audit plan. Only one has prepared a comprehensive annual report for 2003/04. That report provides the following information:

- an overall audit conclusion about the adequacy and effectiveness of management controls at the authority, as well as an opinion on the status of the risk management process in the authority;
- an executive summary of the report;
- a listing of key organizational issues and risks that drove the 2003/04 audit plan;
- a description of the main audit activities during the year;
- the audit results for the year, including a summary of major findings and concerns, the status of planned audit engagements for 2003/04, and a listing of value-added projects performed;
- a description of internal administrative issues, including audit resources, the internal audit budget and key performance indicators;

- executive summaries of the completed projects; and
- a summary of issues followed up during the year.

The authority that produced this report is the same one that has its performance measures set out in its internal audit charter.

In our opinion, the above report provides sufficient information to the board and senior management to enable them to evaluate how effective internal audit has been in carrying out what was set out in the annual plan. It provides a good model for the other authorities to follow.

The other audit units have relied on status reports to keep their boards informed about their activities to date.

It is important that the Finance and Audit Committees work with the internal audit groups to select measures to evaluate performance and establish targets for each measure. The targets should be specific, measurable, time specific, achievable and reasonable, and they should be included in the yearly audit plan.

External evaluations are being considered for the future

An internal audit group can also obtain information about its performance by having an external body, such as the Institute of Internal Auditors, carry out an evaluation. Such reviews evaluate the extent to which the unit performs its activities in accordance with the standards established by the institute, as well as with the policies, procedures and other rules and regulations that apply. It also compares the activities to best practice and makes recommendations to improve the efficiency and effectiveness of the unit.

Another way to obtain performance information is to carry out a self assessment and have it validated by an independent qualified person. This process involves collecting information from the department about its activities and drawing conclusions from the information, and then having an independent person review the results and provide an opinion as to its fairness. For small audit organizations, this is a less expensive approach than having an external review carried out.

Are internal audit groups effective in performing their responsibilities?

Because the internal audit groups in the health authorities have been set up only recently, no outside reviews of their activities have yet been conducted. However, all of the authorities recognize the benefits of external reviews. We noted that the audit charter of one of the authorities calls for an external review every three years, and that there is a plan in another authority to have a review carried out in 2006.

Response from the Health Authorities

PROVINCIAL
Health Services
AUTHORITY

Province-wide solutions.
Better health.

G. (Wynne) Powell, Chair
Lynda Cranston,
President and CEO

September 16, 2004

Office of the Auditor General of BC
8 Bastion Square
Victoria, BC V8V 1X4

Attention: Endre Dolhai, Senior Principal

Re. Response to *Internal Audit in Health Authorities*

Dear Mr. Dolhai:

On behalf of British Columbia's six Health Authorities I am pleased to provide a formal response to your review entitled *Internal Audit in Health Authorities: A Status Report*.

In general there was strong consensus among the Health Authorities that the report was a very positive one. The Health Authorities found the report to be factual and supportive of the directions taken by ourselves in creating audit functions.

The biggest benefit that the Health Authorities see from this report is that it reaffirms the Health Authorities' commitment to the creation of the internal audit function and provides useful information to guide the continued development of this valuable resource as the Health Authorities move forward.

In terms of other comments regarding the report there were two that stood out, the first being that Health Authorities view the internal audit function as only one element in a broad range of processes which mitigate risk. Any assessment of the internal audit function must be done within the context of other risk mitigation activities, particularly with regard to the extensive work all Health Authorities perform in the area of clinical risk. The other comment of interest would be regarding the use of best practices. In order for best practices to be most helpful to an organization they should be applied prudently and in a cost-effective manner. The application of best practice requires judgement and often requires decisions around various implementation alternatives. The Health Authorities certainly agree that best practice standards provide an excellent frame of reference, however, we could not afford full implementation of all best practice standards and for that matter we are not convinced that every circumstance warrants following them to the letter. Our overall goal is to be not only cost effective but to avoid unnecessary waste as the Health Authorities must continually make decisions regarding scarce resources to best benefit our patients and the public.

In conclusion, the Health Authorities would like to thank the Auditor General for his work and look forward to a further review on this issue after we have a solid track record of the benefits of the internal audit function.

Yours truly,

Wynne Powell
Chair, Provincial Health Services Authority

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Appendices

Appendix A: Example of an Organizational Review Process

The table below has been prepared by the Vancouver Island Health Authority and depicts its organizational review process. The table was prepared based on the guidance provided by the Canadian Comprehensive Auditing foundation in 1987 in a document entitled Canadian Hospitals, Accountability and Information for Cost Effectiveness, An Agenda for Action. This information is included to assist other organizations in documenting their processes.

	Description	Report Recipient(s)	Performed by	Use of Results	Frequency	Review Process & Criteria
External Audit	Opinion on financial statements & contracts	Board of Directors	External auditor/ Office of the Auditor General of British Columbia	Used by funding bodies, Executive, Affiliates, Contractors, Lenders, Legislature, public at large to validate financial position	Annual	CICA handbook National MIS guidelines
Internal Audit	System for review of internal controls & performance, involving financial, operational & compliance analysis	Board of Directors, Executive, Middle Management, Select Medical Staff	Internal Audit Unit, Contractors	Used by Board, Executive, Senior Medical Staff, External Auditor, funding agencies to gauge risk and introduce remedies	Annual cycle, quarterly reporting, more often if needed	Institute of Internal Auditors standards handbook Board approved charter
Utilization Management	System for concurrent review of patient admissions & placement	Executive, Senior Clinicians, Middle Management	Quality improvement and utilization management specialists, medical practitioners	Used by board, executive, middle management, clinicians to improve admission and discharge appropriateness	Continuous	Internal review criteria Facility-based criteria, manuals, etc
External Organizational Accreditation	External survey & rating against national standards, self assessment & sequential survey visits	Board of Directors, Senior Medical Staff, Executive, Surveyed Departments	External Survey Team organized by Canadian Council on Health Services Accreditation	Used to prompt improvements in care and service, and to correct deficiencies under oversight of board, executive, senior clinicians	Annual, sequential	Standards based on measures of quality & responsiveness Rating on uniform instrument sanctioned by Canadian Council on Health Services Accreditation

continued...

Appendix A: Example of an Organizational Review Process

	Description	Report Recipient(s)	Performed by	Use of Results	Frequency	Review Process & Criteria
Departmental Accreditation	External survey & rating against sanctioned standards (e.g. for laboratory medicine, other diagnostic services, etc.)	Board of Directors, Executive, Senior Clinicians	External Survey Team	Used to license activities and extend eligibility for funding	Annual, cyclical Continuous, standardized board reporting cycle	Evolving
Quality Assurance Management	System for ongoing measurement of care quality, outcomes, processes, clinical & administrative effectiveness	Board of Directors, Executive, Senior Clinicians	Internal Quality Improvement Units	Used to improve program quality, deal with deviations from acceptable standards or norms, and to streamline process	Continuous, annual report to board	Various professional standards Benchmark comparisons of outcomes Professional peer review
Client Relations	Registration & follow-up of patient, resident, & client concerns	Board of Directors, Executive, Individual Departments	Client Relations Office/Staff	Resolution of complaints Quality & service improvement	Continuous, annual report to Board	Generally unstructured, but informed by practice standards & principles of administrative law
Freedom of Information/ Protection of Privacy (FOIPP)	Administration of FOIPP statute, associated regulations & policies	Board of Directors, Executive	Information & Privacy Office Staff	Assurance of statute compliance Resolution of issues	Continuous, period reporting to board	As defined by statute & principles of administrative law
Professional Practice Oversight	Advancement & administration of professional practice standards	Executive, Board of Directors, Senior Clinicians, Front Line Staff	Professional Practice Office Staff, augmented by secondments, participation on professional practice councils	Oversight of standards & compliance with standards from professional perspective	Continuous, annual review of priorities	As defined by professional standards & guidelines issued by a variety of professional bodies
Risk Management	Organized process of risk identification, appraisal & mitigation	Board of Directors, Executive, Middle Management	Risk management staff	Risk analysis & mitigation for Board, Executive & Clinicians	Continuous	Policies of insurers & risk underwriters Professional risk management practice

Appendix A: Example of an Organizational Review Process

	Description	Report Recipient(s)	Performed by	Use of Results	Frequency	Review Process & Criteria
Licensing	Statute-based process of assuring standards compliance in residential care & other facilities	Licensees, Enforcement Agencies	Licensing Officers, Medical Health Officer Over-sight	Licensing of services rendered	Continuous, defined cycles for contract terms	Defined by statute
Contract and Product Evaluation	Organized approach to contract mgmt. and purchased product appraisal	Board of Directors Executive	Contract Managers, Material Managers	Identification of products or contracted services with deficiencies & associated remedial efforts	Continuous	Template contracts Externally administered product reviews
Health System Analysis and Planning	High-level analysis of health system utilization, planning, modelling, geographical info. systems, health status review	Board of Directors, Executive, Senior Clinicians	Population Health Unit, Planning Staff	Plans used to guide organizational effort, fine tune priorities & approaches, & to satisfy external reporting requirements	Continuous	Various planning templates, protocols for release of externally generated information
Performance Monitoring	Program & facility based review of performance to target, development of remedial action plans	Board of Directors, Executive, Middle Management	Internal Analysis, statistical links, Health Records Staff	Used for internal and external reporting, analysis, follow-up as required	Continuous	Health records guidelines National MIS reporting conventions
Impact Analysis/ Research Review	Review of new technologies, impact of new specialist physicians, review of research priorities, approaches	Executive, Senior Clinicians, Research Community	Research Review Office	Used for specialty studies (e.g. technology appraisal) & guidance of the research effort	Continuous	Board approved research review policy
Occupational Health	Process for review of threats to individual & collective workplace health status, mitigation, claims & compliance management	Board of Directors, Executive, WCB, other 3rd parties, unions	Occupational Health Staff	Priorization of remedial effort, mitigation of risks, follow-up as required by statute and regulation		Statute law & regulations Collective agreement provisions

Appendix B: Sources of Further Information

The following provides sources where further information can be obtained in the areas of general governance, audit committees and internal audit.

General Governance

Office of the Auditor General of British Columbia

- *A Review of Performance Agreements Between the Ministry of Health Services and the Health Authorities.* Report 1 – May 2003.
- *Transportation in Greater Vancouver: A Review of Agreements Between the Province and TransLink, and of TransLink's Governance Structure.*
  Report 2 – August 2001.
- *Social Housing: The Governance of the British Columbia Housing Management Commission and the Provincial Rental Housing Corporation;*
  The Management of Social Housing Subsidies.
  Report 8 – November 1999.
- *A Review of the Fast Ferry Project: Governance and Risk Management*
  Report 5 – October 1999.
- A *Review of Governance and Accountability in the Regionalization of Health Services.* Report 3 – March 1998.
- *Crown Corporations Governance Study.* Report 2 – November 1996.

Website: http://bcauditor.com

British Columbia Crown Agencies Secretariat (Premier's Office)

The Crown Agencies Secretariat is a central agency within the Office of the Premier with responsibility for strategically overseeing the system of Crown agencies.

It has published a number of guidelines dealing with Crown corporation governance. These are available on the Secretariat's website and include:

- *Crown Corporations Board of Directors Appointment Guidelines* (August 29, 2001).
- *Draft Governance Framework for Crown Corporations* (November 13, 2002).

- *Guidelines for Government Organizations Services Plans* (August 2002).
- *Guidelines for Government Organizations 2002/03 Annual Reports.*
- *Establishing a Crown Agency* (June 26, 2003).
- *Performance Reporting Principles For the British Columbia Public Sector* (November 2003).

Website: http://www.gov.bc.ca/

The Board Resourcing and Development Office (Premier's Office)

The office is responsible for establishing guidelines for board appointments, overseeing the appointment process, and ensuring that orientation and ongoing professional development are available to board members.

It has published the following guidelines:

- Appointment guidelines and process.
- British Columbia Corporate Governance Guidelines for Boards of Public Sector Organizations.
- Conduct guidelines for public appointees.

Website: http://www.fin.gov.bc.ca/oop/brdo/guidecond.htm

Canadian Institute of Chartered Accountants

Recent Publications on Risk Management & Governance

- *20 Questions Directors Should Ask about their Role in Pension Governance.* September 2003.
- *Strategic Planning: What Boards Should Expect from CFOs.* February 2003.
- *20 Questions Directors Should Ask about Management's Discussion and Analysis.* February 2003.
- *20 Questions Directors Should Ask about Executive Compensation.* February 2003.
- *20 Questions Directors Should Ask about Risk.* February 2003.
- *20 Questions Directors Should Ask about Strategy.* February 2003.

- *20 Questions Directors Should Ask about IT.* January 2002.
- *20 Questions Directors Should Ask about Director Compensation.* April 2004.
- *20 Questions Directors Should Ask about Internal Audit.* April 2004.
- *Financial Aspects of Governance: What Boards Should Expect from CFOs.* April 2004.

Website: http://www.cica.ca/

The Audit Office of New South Wales (Australia)

- *Corporate Governance – Volume I: In Principle* (June 1997)
- *Corporate Governance – Volume II: In Practice* (June 1997)
- *Corporate Governance – Supplement to Volume II: Survey Findings* (June 1997)
- *On Board -Guide to Better Practice for Public Sector Governing and Advisory Boards* (April 1998)
- *Public Sector Corporate Governance* (April 1999)

Website: http://www.audit.nsw.gov.au/

Australia National Audit Office

- *Public Sector Governance.* (2003)

Website: www.anao.gov.au

Audit Committees

Treasury Board of Canada Secretariat

- *Guidelines for Audit Committees in Crown Corporations and Other Public Enterprises.* (September 2003)

Website: http://www.tbs-sct.gc.ca/

Auditor General of Alberta

Assessment of the Performance of Public Sector Audit Committees (2003)

Website: http://www.oag.ab.ca/

Appendix B: Sources of Further Information

Audit Committee Institute

The Institute serves as a resource for audit committee members and senior management. It has published the following documents:

- Basic Principles for Audit Committees
- An Approach to Effective Audit Committee Self-evaluation.
- Shaping the Audit Committee Agenda

Website: http://www.kpmg.com/aci/

American Institute of Public Accountants

AICPA Audit Committee Effectiveness Centre

Website: http://www.aicpa.org/

Australia National Audit Office

Audit Committees

Website: www.anao.gov.au

Audit Director Roundtable

Internal Audit's Impact on Audit Committee Effectiveness

Website: www.audit.executiveboard.com

Internal Audit

Institute of Internal Auditors

Website: http://www.theiia.org/iia/index.cfm

The Institute of Internal Auditors UK and Ireland

Internet site: www.iia.org.uk

Association of Healthcare Internal Auditors (AHIA)

Website: www.ahia.org

Appendix B: Sources of Further Information

Auditor General of Canada

Internal Audit – Evolution of Internal Auditing in the Government of Canada. 1984.

Internal Audit in Departments and Agencies. 1996

Australia National Audit Office

- *New Directions for Internal Audit* (1998)
- *Benchmarking the Internal Audit Function* (2000)

Website: www.anao.gov.au

Office of the State Auditor of Texas

- Internal Audit Best Practices List
- Various reports on effectiveness audit carried out on internal audits.

Website: http://www.sao.state.tx.us/

Appendix C: Office of the Auditor General: Risk Auditing Objectives and Methodology

The Office has three lines of business:

- Attesting to the reliability of government financial statements;
- Assessing the quality of government service plan reports;
- Examining how government manages its key risks.

Each of these lines of business have certain objectives that are expected to be achieved, and each employs a particular methodology to reach those objectives. The following is a brief outline of the objectives and methodology applied by the Office for assessing the management of risk within government programs and services, that is, risk auditing.

Risk Auditing

What are Risk Audits?

Risk audits (also known as performance or value-for-money audits) examine whether money is being spent wisely by government—whether value is received for the money spent. Specifically, they look at the organizational and program elements of government performance, whether government is achieving something that needs doing at a reasonable cost, and consider whether government managers are:

- making the best use of public funds; and
- adequately accounting for the prudent and effective management of the resources entrusted to them.

The aim of these audits is to provide the Legislature with independent assessments about whether government programs are implemented and administered economically, efficiently and effectively, and whether Members of the Legislative Assembly and the public are being provided with fair, reliable accountability information with respect to organizational and program performance.

In completing these audits, we collect and analyze information about how resources are managed; that is, how they are acquired and how they are used. We also assess whether legislators and the public have been given an adequate explanation of what has been accomplished with the resources provided to government managers.

Appendix C: Office of the Auditor General: Risk Auditing Objectives and Methodology

Focus of Our Work

A risk audit has been described as:

> *...the independent, objective assessment of the fairness of management's representations on organizational and program performance, or the assessment of management performance, against criteria, reported to a governing body or others with similar responsibilities.*

This definition recognizes that there are two forms of reporting used in risk auditing. The first—referred to as attestation reporting—is the provision of audit opinions as to the fairness of management's publicly reported accountability information on matters of economy, efficiency and effectiveness. This approach has been used to a very limited degree in British Columbia because the organizations we audit do not yet provide comprehensive accountability reports on their organizational and program performance.

We believe that government reporting along with independent audit is the best way of meeting accountability responsibilities. Consequently, we have been encouraging the use of this model in the British Columbia public sector, and will apply it where comprehensive accountability information on performance is made available by management.

As the risk audits conducted in British Columbia use the second form of reporting—direct reporting—the description that follows explains that model.

Our "direct reporting" risk audits are not designed to question whether government policies are appropriate and effective (that is achieve their intended outcomes). Rather, as directed by the Auditor General Act, these audits assess whether the programs implemented to achieve government policies are being administered economically and efficiently. They also evaluate whether Members of the Legislative Assembly and the public are being provided with appropriate accountability information about government programs.

When undertaking risk audits, we look for information about results to determine whether government organizations and programs actually provide value for money. If they do not, or if we

are unable to assess results directly, we then examine management's processes to determine what problems exist or whether the processes are capable of ensuring that value is received for money spent.

Selecting Audits

All of government, including Crown corporations and other government organizations, are included in the universe we consider when selecting audits. We also may undertake reviews of provincial participation in organizations outside of government if they carry on significant government programs and receive substantial provincial funding.

When selecting the audit subjects we will examine, we base our decision on the significance and interest of an area or topic to our primary clients, the Members of the Legislative Assembly and the public. We consider both the significance and risk in our evaluation. We aim to provide fair, independent assessments of the quality of government administration and to identify opportunities to improve the performance of government. Therefore, we do not focus exclusively on areas of high risk or known problems.

We select for audit either programs or functions administered by a specific ministry or government organization, or cross-government programs or functions that apply to many government entities. A large number of such programs and functions exist throughout government. We examine the larger and more significant of these on a cyclical basis.

Our view is that, in the absence of comprehensive accountability information being made available by government, risk audits using the direct reporting approach should be undertaken on a five- to six- year cycle so that Members of the Legislative Assembly and the public receive assessments of all significant government operations over a reasonable time period. We strive to achieve this schedule, but it is affected by the availability of time and resources.

Planning and Conducting Audits

A risk audit comprises four phases—preliminary study, planning, conducting and reporting. The core values of the Office—independence, due care and public trust—are inherent in all aspects of the audit work.

Appendix C: Office of the Auditor General: Risk Auditing Objectives and Methodology

Preliminary Study

Before an audit starts, we undertake a preliminary study to identify issues and gather sufficient information to decide whether an audit is warranted.

At this time, we also determine the audit team. The audit team must be made up of individuals who have the knowledge and competence necessary to carry out the particular audit. In most cases, we use our own professionals, who have training and experience in a variety of fields. As well, we often supplement the knowledge and competence of our staff by engaging one or more consultants to be part of the audit team.

In examining a particular aspect of an organization to audit, auditors can look either at results, to assess whether value for money is actually achieved, or at management's processes, to determine whether those processes should ensure that value is received for money spent. Neither approach alone can answer all the questions of legislators and the public, particularly if problems are found during the audit. We therefore try to combine both approaches wherever we can. However, because acceptable results-oriented information and criteria are often not available, our risk audits frequently concentrate on management's processes for achieving value for money.

If a preliminary study does not lead to an audit, the results of the study may still be reported to the Legislature.

Planning

In the planning phase, the key tasks are to develop audit criteria—"standards of performance"—and an audit plan outlining how the audit team will obtain the information necessary to assess the organization's performance against the criteria. In establishing the criteria, we do not expect theoretical perfection from public sector managers; rather, we reflect what we believe to be the reasonable expectations of legislators and the public.

Conducting

The conducting phase of the audit involves gathering, analyzing and synthesizing information to assess the organization's performance against the audit criteria. We use a variety of techniques to obtain such information, including surveys, and questionnaires, interviews and document reviews.

Appendix C: Office of the Auditor General: Risk Auditing Objectives and Methodology

Reporting Audits

We discuss the draft report with the organization's representatives and consider their comments before the report is formally issued to the Legislative Assembly. In writing the audit report, we ensure that recommendations are significant, practical and specific, but not so specific as to infringe on management's responsibility for managing. The final report is tabled in the Legislative Assembly and referred to the Public Accounts Committee, where it serves as a basis for the Committee's deliberations.

Reports on risk audits are published throughout the year as they are completed, and tabled in the Legislature at the earliest opportunity. We report our audit findings in two parts: an Auditor General's Comments section and a more detailed report. The overall conclusion constitutes the Auditor General's independent assessment of how well the organization has met performance expectations. The more detailed report provides background information and a description of what we found. When appropriate, we also make recommendations as to how the issues identified may be remedied.

It takes time to implement the recommendations that arise from risk audits. Consequently, when management first responds to an audit report, it is often only able to indicate its intention to resolve the matters raised, rather than to describe exactly what it plans to do.

Without further information, however, legislators and the public would not be aware of the nature, extent, and results of management's remedial actions. Therefore, we publish updates of management's responses to the risk audits. In addition, when it is useful to do so, we will conduct follow-up audits. The results of these are also reported to the Legislature.

Appendix D:
Office of the Auditor General: 2004/05 Reports Issued to Date

Report 1

Follow-up of Performance Reports, April 2004

Report 2

In Sickness and in Health: Healthy Workplaces for British Columbia's Health Care Workers

Report 3

Preventing and Managing Diabetes in British Columbia

Report 4

Internal Audit in Health Authorities: A Status Report

This report and others are available on our website at http://www.bcauditor.com

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